Atlantic Canada Opportunities Agency

2017-18

Departmental Plan

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

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Minister's message

Our 2017-18 Departmental Plan provides parliamentarians and Canadians with information on what we do and the results we are trying to achieve during the upcoming year. To improve reporting to Canadians, we are introducing a new, simplified report to replace the Report on Plans and Priorities.

The title of the report has been changed to reflect its purpose: to communicate our annual performance goals and the financial and human resources forecast to deliver those results. The report has also been restructured to tell a clearer, more straightforward and balanced story of the actual results we are trying to achieve, while continuing to provide transparency on how tax payers' dollars will be spent. We describe our programs and services for Canadians, our priorities for 2017-18, and how our work will fulfill our departmental mandate commitments and the government's priorities.

Through the programs of the Innovation, Science and Economic Development Portfolio, we are working together to deliver Canada's Innovation Agenda – a whole-of-government initiative to position Canada as a global centre for innovation, create better jobs and opportunities for the middle class, drive growth across all industries and improve the living standards of all Canadians. The work of the Portfolio also includes commercializing more research and ideas; providing more Canadians with the skills to participate in a global and digital economy; helping small businesses grow through innovation, access to capital and trade; promoting increased tourism to Canada; and supporting scientific research and the integration of scientific considerations in our investment and policy choices.

It is my pleasure to present the Departmental Plan for the Atlantic Canada Opportunities Agency for 2017-18.

The Honourable Navdeep Bains
Minister of Innovation, Science
and Economic Development

Plans at a glance

The Atlantic Canada Opportunities Agency (ACOA) is the federal department responsible for the Government of Canada's economic development efforts in the provinces of New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador.

As part of the Innovation, Science and Economic Development (ISED) portfolio, ACOA supports the implementation of the Government of Canada's Innovation Agenda and the Atlantic Growth Strategy through the Agency's programming, which are aimed at growing the Atlantic Canadian economy and strengthening the region's middle class. ACOA plays a key role in organizing and implementing a whole-of-government approach, working closely with federal and provincial partners to build on the region's strengths and competitive advantages in support of growth and prosperity.

With its 590 full-time equivalents (FTEs), ACOA plans on spending $311,544,944 in 2017-18 on its organizational priorities, which will focus on achieving the Government of Canada's objectives in the key areas outlined below. ACOA's priorities and key activities build on the Agency's past performance, and integrate lessons learned and recommendations from reviews and evaluations. Human and financial resources are attributed to priorities and planned activities, in order to achieve expected results. ACOA will be transitioning to a new reporting structure in 2017-18, which will enable better alignment with these objectives and reporting on the achievement of expected results.

Innovation, Growth and Export Development

ACOA will invest in the innovation and growth of small and medium-sized enterprises (SMEs) in Atlantic Canada by:

- focusing on the development of talent, business skills, and entrepreneurial culture; and
- targeting strategic support for high-potential firms, as well as incubators and accelerators.

The Agency will accelerate clean growth in Atlantic Canada through investments in the development and adoption of clean technologies.

ACOA will maximize international business opportunities by:

- investing in the creation and market diversification of exporters;
- supporting the attraction, retention and expansion of foreign direct investments; and
- fostering readiness, preparedness and market engagement.

Diversification of Communities

The Agency will develop and diversify communities by making strategic investments in:

- emerging, knowledge-based, and established resource-based sectors;
- key areas such as tourism, innovation, clean tech; and
- local infrastructure that builds on the region's competitive advantages.

ACOA will strengthen community planning and capacity-building to stimulate the sustainable and inclusive growth of communities. This will be done by working in partnership with key community stakeholders, francophone minority communities, Indigenous and immigrant communities, and youth to foster entrepreneurship, talent attraction and retention.

Collaborating and Engaging with Partners to Strengthen the Region's Economy

The Agency will continue to capitalize on key opportunities by analyzing regional competitive advantages, engaging stakeholders, advancing the region's interests in national policy and program development, and supporting decision-makers with rigorous analysis, evidence-based policies and local intelligence.

ACOA will implement the Atlantic Growth Strategy in collaboration with the four Atlantic provincial governments, other federal departments, and other stakeholders, with a particular focus on innovation, clean growth and climate change, tourism, as well as trade and investment.

The Agency will support long-term growth in Atlantic Canada by facilitating a whole-of-government approach, maximizing federal industrial investments that build on the region's competitive advantages, and actively pursuing the development of innovative eco-systems, networks and clusters.

For more information on ACOA's plans, priorities and planned results, see the Planned Results section of this report.

Raison d'être, mandate and role: who we are and what we do

Raison d'être

Established in 1987 (Part I of the Government Organization Act, Atlantic Canada 1987, R.S.C., 1985, c.41 [4th Supp.], also known as the Atlantic Canada Opportunities Agency Act), the Atlantic Canada Opportunities Agency (ACOA) is the federal department responsible for the Government of Canada's economic development efforts in the provinces of New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador.

The Agency works to create opportunities for economic growth in Atlantic Canada by helping businesses become more competitive, innovative and productive, by working with diverse communities to develop and diversify local economies, and by championing the strengths of the region. Together with Atlantic Canadians, ACOA is building a stronger economy.

The Minister of Innovation, Science and Economic Development is responsible for this organization.

Mandate and role

ACOA plays an important role in developing and supporting policies and programs that strengthen the region's economy. The Agency's legislation mandates the organization "to increase opportunity for economic development in Atlantic Canada, and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region."[1] Although the Agency's policies and program tools have evolved since its inception, the overall goal remains constant. ACOA is dedicated to helping the Atlantic region realize its full economic potential in terms of productivity, innovation, competitiveness and growth. This is achieved by addressing structural changes in the economy, helping communities and businesses to overcome challenges, and capitalizing on opportunities.

The Agency provides services through its Head Office in Moncton, N.B., and throughout the Atlantic provinces, with four regional offices located in the provincial capitals, and 23 local field offices. Through its Ottawa office, ACOA ensures that Atlantic Canada's interests are understood and reflected in the policies and programs developed by other departments and agencies of the federal government.

For more general information about the Agency, see the Supplementary Information section of this report. For more information on the department's organizational mandate letter commitments, see the ministers' mandate letters on the Prime Minister of Canada's website.

[1] Atlantic Canada Opportunities Agency Act, R.S.C., 1985, c. 41, 4th Supp.

Operating context: conditions affecting our work

Over the long term, economic growth in Atlantic Canada will be driven by a combination of factors: the development of emerging and value-added sectors; significant investments in industrial projects; and global economic developments, including greater access to international markets and innovation. Growth in real gross domestic product (GDP) in the region, however, is expected to remain modest in 2017 and 2018, and below the national level.

Atlantic Canada's economy continues to face several risks. As a small, open economy, international competition from low-cost producers will continue to challenge Atlantic Canada's manufacturing base and resource industries. Atlantic exporters, however, should benefit from stronger growth in the United States and a stable exchange rate as the Canadian dollar is projected to remain in the US$0.75 to $0.80 range.[2] Energy prices are also expected to improve somewhat in 2017, helping lift exports from the Atlantic region in the short term. A stronger housing market in the United States will support further growth opportunities for the region's forestry sector, but the lack of a softwood lumber agreement between Canada and the United States poses a risk to lumber producers.

Lower commodity prices could create challenges for investment projects in the region. Major project investment is expected to provide little support for growth in 2017 and 2018, as many large investment projects are winding down. The stable Canadian dollar, however, is expected to help the region's manufacturers, increasing demand for their products. The manufacturing sector is also projected to get a boost from the rise in shipbuilding activity, as 2016 was the first full year of activity for the National Shipbuilding Strategy.

An aging population will also have an impact on the region's labour force, limiting Atlantic firms' access to an adequate workforce. An increase in the participation rate of under-represented groups in the labour force, such as women, youth, Indigenous peoples, and persons with disabilities, will be key for the region's firms to meet their labour needs over time. The attraction, retention and integration of immigrants, and speedier recognition of their foreign credentials, would also support Atlantic firms in meeting their labour requirements.

Atlantic Canada continues to experience skills shortages in knowledge-based professions (i.e. science, technology, engineering and math), as well as in various trades (affecting major projects such as shipbuilding). Over the past few years, some seasonal industries that rely on a lower skilled workforce have increased their reliance on foreign employees, due to an insufficient workforce to meet their labour needs in the largely rural communities where they are located. Access to both skilled and unskilled labour will be a key determinant for increasing the region's competitiveness, productivity, innovation capacity, and economic growth over the long term.

[2] Atlantic Provinces Economic Council, Atlantic Canada Economic Outlook 2017: (S)lower for Longer and the Growing Atlantic Divide, October 30, 2016.

Key risks: things that could affect our ability to achieve our plans and results

Risks	Risk response strategy	Link to the department's programs (or core responsibilities)	Link to the minister's mandate letter commitments, or to government-wide and departmental priorities
Economic Context There is a risk that the achievement of expected results from the Agency's economic development programming may be affected by external factors that contribute to uncertainties for economic growth in Atlantic Canada.	- Conduct ongoing research and analysis of the factors affecting economic growth in Atlantic Canada. - Gather ongoing intelligence, facilitated by the Agency's networks and regional presence. - Capitalize on the flexibility of the Agency's programming, on its advocacy role, and on its integrated planning process in order to proactively address the risks and opportunities presented by these uncertainties; implement national strategies in the region; and focus on regional strategies. A Management Action Plan is in place for this risk, and it is reviewed with senior management annually, or as required.	Enterprise Development Community Development Policy, Advocacy and Coordination	Minister's Mandate Letter: - to help Canadian businesses grow, innovate and export, and more specifically make strategic investments that build on competitive regional advantages - to develop an Innovation Agenda Atlantic Growth Strategy
External Capacity There is a risk that partner, community and client capacity for the identification, development and successful implementation of strategic projects may not be sufficient to support the optimal achievement of ACOA's program objectives.	- Ensure ongoing research, analysis, intelligence gathering and information sharing. - Work closely with its partners and stakeholders to foster client and community capacity; to increase private-sector capital investment in the region; to adapt and implement federal strategies to the regional context; and to engage regional partners in aligning investments. - Capitalize on the Agency's integrated planning process	Enterprise Development Community Development Policy, Advocacy and Coordination	Minister's Mandate Letter: - to help Canadian businesses grow, innovate and export, and more specifically make strategic investments that build on competitive regional advantages - to develop an Innovation Agenda Atlantic Growth Strategy

Risks	Risk response strategy	Link to the department's programs (or core responsibilities)	Link to the minister's mandate letter commitments, or to government-wide and departmental priorities
	in order to understand and strategically address differences in how this risk expresses itself across ACOA regions. A Management Action Plan is in place for this risk, and it is reviewed with senior management annually or as required.		

ACOA's work is driven by client requirements, Government of Canada priorities, and ever changing local and regional economic landscapes, as described in the Operating Context section. These drivers give rise to uncertainties that can affect the Agency's ability to achieve expected results.

The Agency's response strategies to key risks, and management action plans, will continue to support ACOA in its plan to address challenges and capitalize on opportunities, by focusing its activities and resources to ensure proper alignment of its mandate with the Government of Canada priorities. This will be done through strong collaboration and information sharing within the ISED portfolio and with other federal and provincial departments and agencies, and by delivering its programming in a manner that is integrated, strategic, and responsive to the circumstances affecting each Atlantic province.

ACOA will continue to monitor relevant Government of Canada risks to ensure that the Agency's response is consistent with related whole-of-government strategies. Information management and information technology security represents an area of uncertainty given the frequency, complexity and severity of cyber-attacks. ACOA will mitigate this risk through information stewardship, implementation of Government of Canada policies and procedures, proactive internal communications to promote employee awareness, and the timely implementation of information technology security actions in response to cyber security threats.

Planned results: what we want to achieve this year and beyond

Programs

Program: Enterprise Development

Description

Despite recent economic progress and some promising opportunities on the horizon (e.g. energy, shipbuilding), some significant challenges remain for the region to maximize positive growth. One of the most telling indicators of this is that in a number of sectors, productivity remains significantly lower than in leading countries and other regions of Canada. The Agency works in partnership with Atlantic Canadian businesses, stakeholders, industry and institutions to improve the growth and productivity of Atlantic Canada's economy, leading to increased competitiveness, higher earned incomes and job creation. The Agency works to improve the capacity of Atlantic Canada's rural and urban areas for economic growth through a variety of strategically focused mechanisms: assisting businesses, particularly small and medium-sized enterprises, to start, expand or modernize and to establish or expand export activities; partnering with universities and other institutions to increase the region's research and development capacity, commercialization and productivity; and promoting and participating in the region's transition to a knowledge economy.

Planning Highlights

In 2017-18, ACOA is committed to building on Atlantic Canada's regional strengths and competitive advantages in delivering the Innovation Agenda and moving forward on the Atlantic Growth Strategy, while working with and taking into account the opportunities for immigrants, Indigenous people, women and youth. Focusing on the innovation and growth of firms, ACOA will support initiatives to develop talent, business skills, and entrepreneurial culture. This includes continued investments in research and development, commercialization, the adoption/adaptation of new or improved technology, lean manufacturing initiatives, business expansion and modernization as well as support for business incubators and accelerators. It also includes partnering with provincial and other federal departments to coordinate investments in firms to accelerate their growth and strengthen business support in priority areas and in key sectors or clusters, such as information and communications technology, agrifood and seafood, and ocean technology – thus generating the potential of significant economic returns to Atlantic Canada's economy.

Furthermore, ACOA is coordinating the delivery of the Accelerated Growth Service in Atlantic Canada in collaboration with federal departments and provincial government organizations. This is a national initiative which enhances the rate and scope of firm

growth. It supports high growth firms in a collaborative, focused and flexible manner by providing a single point of contact to access government programming.

ACOA will also focus on accelerating clean growth in Atlantic Canada by providing funding to businesses and communities for projects that accelerate Canada's transition to a cleaner, low carbon economy through the development and adoption of clean technologies. In fiscal 2017-18, ACOA plans to invest approximately $17 million in clean technology projects in Atlantic Canada.

Finally, in 2017-18 ACOA will implement a new trade and investment strategy that supports the Government of Canada's Innovation Agenda and will help Atlantic Canadian companies navigate within global supply chains as well as help the region's innovative companies accelerate into global markets. Through its funding programs, ACOA will maximize international business opportunities by investing in the creation, growth and market diversification of exporters, by supporting the attraction, retention and expansion of foreign direct investment, and by fostering readiness, preparedness and market engagement. This includes assisting companies and key stakeholders with their preparedness and successful capture of international business, including research, training, skills development, competitive intelligence, international marketing, and international engagement activities. In fiscal 2017-18 ACOA plans to invest approximately $20 million for trade and investment initiatives, and in doing so will actively collaborate with other federal departments and provincial governments, as well as key stakeholders and partners.

ACOA embraces its culture of innovation, collaboration and engagement, and is constantly finding new ways to work differently with stakeholders, both within the federal government and with other governments and community counterparts. ACOA has begun the process of experimenting with new approaches to specific existing issues, and is working to identify new opportunities for further experimentation. Examples of past and current experimentation include applying the Rapid Results approach to improving an Agency decision-making tool through a highly collaborative, engaged and efficient process, and applying design thinking and behavioural insights to exploring the dimensions of business culture in Atlantic Canada and to engaging stakeholders in the co-creation of solutions that will support ongoing policy and program decision making and development.

Collectively, these actions and activities will help SMEs in Atlantic Canada be more competitive and productive, thereby creating jobs and wealth opportunities for the Atlantic economy.

Planned results

Expected Results	Performance Indicator	Target	Date to Achieve Target	2013-14 Actual Results	2014-15 Actual Results	2015-16 Actual Results
Improved growth and competitiveness of Atlantic Canadian small and medium-sized enterprises	Percentage points by which the business survival rate of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	10	March 31, 2018	18	9	26
	Percentage points by which the labour productivity growth of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	3	March 31, 2018	7	7.3	6.1

Budgetary financial resources (dollars)

2017-18 Main Estimates	2017-18 Planned Spending	2018-19 Planned Spending	2019-20 Planned Spending
170,058,923	170,058,923	165,171,923	164,291,923

Human Resources (Full-time Equivalents [FTEs])

2017-18 Planned FTEs	2018-19 Planned FTEs	2019-20 Planned FTEs
222	222	222

Program: Community Development

Description

The Atlantic economy is built on the region's many geographic, linguistic and cultural communities. From rural areas to larger urban centres, the opportunities and challenges vary significantly. Communities are the foundation of economic development and are critical for economic prosperity. The Agency recognizes the importance of communities and supports their efforts to develop the resources they need to contribute fully to their economic development. For these reasons, the Agency focuses community development efforts and strategies to create dynamic and sustainable communities with increased economic and business activities as well as quality public infrastructure. The Agency develops and delivers programming that meets the unique economic development needs of rural areas in Atlantic Canada and that contributes to a stronger region. The Agency collaborates with the private sector, other levels of government, other federal government departments, educational institutions, non-profit organizations and communities to leverage support, coordinate economic development, identify and capitalize on emerging opportunities and react to economic challenges across the region. This requires a flexible approach based on the realities of a given community's capacities, strengths and challenges.

Planning Highlights

In 2017-18 ACOA will help develop and diversify communities by making strategic investments that build on the region's strengths and competitive advantages. Through planning, capacity development, strategic partnerships and investments in key sectors such as tourism, energy and other value-added industries, the Agency supports the creation of dynamic and sustainable communities that increase economic and business activities and offer quality public infrastructures.

ACOA will continue to invest in studies and strategic planning activities, marketing initiatives, and skills development for communities, educational institutions, industry associations, and not-for-profit organizations, to foster entrepreneurship, talent attraction and business growth. ACOA will also support the development of critical community infrastructure projects that enable long-term growth in the region.

By collaborating and partnering with various stakeholders, including provincial and municipal governments, ACOA will leverage investments and maximize the use of resources to augment the potential for economic impacts in Atlantic Canada. The Agency will continue to engage with official language minority communities to identify investments that will enhance the vitality of those communities, through its regular programs as well as through the delivery of the Economic Development Initiative of the Roadmap for Canada's Official Languages 2013-2018.

ACOA will increase the competitiveness of rural tourism by strengthening its partnerships with community leaders, investing in community infrastructure and by

guiding communities (and tourism regions) through a process of building and executing strategic and sustainable tourism action plans.

ACOA will continue to invest in Community Business Development Corporations (CBDCs) and other community development organizations, to ensure that rural and urban business owners, whether young or first-time entrepreneurs, have access to capital, information and counselling required to help them strengthen and expand their businesses. The Agency will continue to support the vitality and growth of Indigenous communities and businesses. It will collaborate with its partners, and invest in projects that support strategic priorities listed in the Federal Framework for Aboriginal Economic Development and the Atlantic Aboriginal Economy Building Strategy.

Planned Results

Expected Results	Performance Indicator	Target	Date to Achieve Target	2013-14 Actual Results	2014-15 Actual Results	2015-16 Actual Results
Dynamic and sustainable communities in Atlantic Canada with increased economic and business activity	Percentage of Community Development (CD) projects that met expectations, thus contributing to the CD expected result	80%	March 31, 2018	100%	91%	96%
	Percentage points by which the business survival rate of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs	10	March 31, 2018	not applicable[3]	24	24

Budgetary Financial Resources (dollars)

2017-18 Main Estimates	2017-18 Planned Spending	2018-19 Planned Spending	2019-20 Planned Spending
104,552,144	104,552,144	87,732,144	87,732,144

Human Resources (FTEs)

2017-18 Planned FTEs	2018-19 Planned FTEs	2019-20 Planned FTEs
101	101	101

[3] In 2013-14, the two performance indicators for Community Development were: "Percentage of projects that are successful in achieving the intended objectives" and "Percentage points by which the growth in sales of CBDC-assisted clients exceeds that of unassisted firms". In 2014-15, the second indicator was changed to "Percentage points by which the business survival rate of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs".

Program: Policy, Advocacy and Coordination

Description

The Agency's Policy, Advocacy and Coordination (PAC) program is central to identifying and effectively responding to opportunities and challenges facing the regional economy. PAC provides intelligence, analysis and well-grounded advice on a broad range of issues and topics, and it informs and supports Agency and ministerial decision making. PAC helps carry the Agency's agenda forward and ensure that ACOA overall remains relevant and responsive to the opportunities and challenges in Atlantic Canada by offering strategic, researched policy positions that reflect the region's potential, by influencing national policies and programs that affect Atlantic Canada's development and interests, and by coordinating other policies and programs within the region to form integrated approaches to development.

Planning Highlights

In 2017-18, ACOA will capitalize on key opportunities by analyzing regional competitive advantages, engaging stakeholders and supporting decision makers with rigorous analysis and local intelligence.

ACOA will develop evidence-based policy recommendations that deliver on the federal agenda and support the government's national priorities in Atlantic Canada. This approach will facilitate the alignment and delivery of Agency programming with Government of Canada priorities such as the Atlantic Growth Strategy and the Innovation Agenda.

Research and analysis will focus on the opportunities and challenges related to the region's economy such as community economic development, innovation, high growth firms, and labour force challenges. The Agency will also consider factors influencing the ability of SMEs to participate in global value chains, and will examine key industries such as clean tech, tradable services, tourism, natural resources, and deep water offshore development. Through the integration of Gender-Based Analysis+, ACOA will also continue to improve its understanding of the Atlantic Canadian economy, and how its programming is accessible to under-represented groups such as women, immigrants, Indigenous peoples, younger and older workers, and persons with disabilities.

The Agency will continue to coordinate and engage the provinces and other federal departments in various initiatives. ACOA will play a leadership role in the Atlantic Growth Strategy, which is a multi-year initiative designed to drive economic development in Atlantic Canada by implementing targeted, evidence-based actions in several priority areas. In 2017-18 the Agency will continue to work on the implementation of the Atlantic Growth Strategy, with a focus on trade and investment, tourism, clean technologies and innovation. The Agency is working with other federal departments to support the Atlantic Leadership Committee, which is comprised of five

federal ministers and the four Atlantic premiers, in tracking the progress of the initiative and reporting on its results.

ACOA will also work with Atlantic Canadian SMEs to take advantage of opportunities related to the National Shipbuilding Strategy by delivering supplier development initiatives and providing opportunities for SMEs to engage with key stakeholders. The Agency will continue to assist the development of the Atlantic Canadian aerospace and defence industry, and the establishment of the new Atlantic Canada Aerospace and Defence Association, with the objective of maximizing the economic impact of procurement related to Canada's military and the Canadian Coast Guard.

Under the leadership of the Atlantic Canada Energy Office, the Agency aims to facilitate the development of the region's energy sector by fostering collaboration, common understanding and communication among the public and private sectors. Finally, the Agency will continue to help coordinate the work of federal departments in the region by leading the Atlantic Federal Council.

Planned Results

Expected Results	Performance Indicator	Target	Date to Achieve Target	2013-14 Actual Results	2014-15 Actual Results	2015-16 Actual Results
Policies and programs that strengthen the Atlantic economy	Percentage of Policy, Advocacy and Coordination (PAC) activities that have met their objectives, thus contributing to the PAC expected result	75%	March 31, 2018	not applicable	100%	100%

Budgetary Financial Resources (dollars)

2017-18 Main Estimates	2017-18 Planned Spending	2018-19 Planned Spending	2019-20 Planned Spending
10,966,274	10,966,274	10,691,274	10,441,274

Human Resources (FTEs)

2017-18 Planned FTEs	2018-19 Planned FTEs	2019-20 Planned FTEs
68	68	68

Information on Agency's lower-level programs is available on the Agency's website and in the Treasury Board of Canada Secretariat's InfoBase.

Internal Services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Planning Highlights

ACOA will continue to implement organizational initiatives to strengthen and improve service and program delivery efficiency and excellence. Focus will continue on implementing common business processes and systems in priority areas such as human resources, information management, information technology and finance. The Agency will continue to collaborate with other regional development agencies to improve the efficient delivery of their programs and services to Canadians. This includes the development of a common software platform for the management of grants and contributions programs. ACOA will continue to support its employees through career and leadership development, and by building a healthy, respectful and supportive workplace. Part of this work will be supported through the implementation of ACOA's mental health action plan in support of the Federal Public Service Workplace Mental Health Strategy. The Agency will reinvigorate its recruitment efforts, while continuing to promote the Public Service Commission's New Direction in Staffing for the Core Public Service.

In support of accountability, evidence-based decision making and continuous improvement, ACOA maintains a strong focus on results and impact through ongoing performance measurement and evaluation of its programs and services. To support the organization's results-focused culture, the Agency will ensure that a new departmental results framework and program information profiles are developed to meet the requirements of the Treasury Board of Canada's Policy on Results, and that a five-year evaluation plan is developed and implemented to reflect these changes.

ACOA ensures that its key activities remain aligned with Government of Canada priorities and the Agency's mandate and budgetary resources through its integrated planning process. The Agency will also ensure the integration of human resources, risk management, performance management and evaluation considerations into its planning and decision-making processes.

The Agency will continue to implement its 2015-18 Values and Ethics Strategy to ensure that values and ethics remain at the foundation of its corporate culture, and will support open dialogue at all levels of the organization.

ACOA will support the Government of Canada's plan for an open and fair government by implementing Year 2 measures outlined in its Open Government Implementation Plan, and by seeking employee engagement in effective information management practices.

Budgetary Financial Resources (dollars)

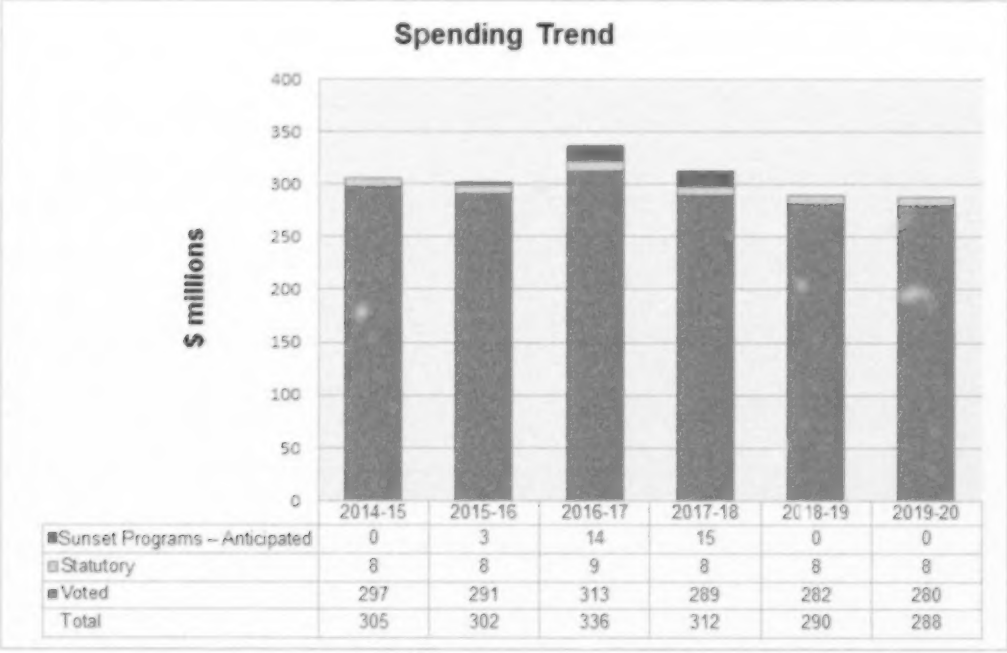
2017-18 Main Estimates	2017-18 Planned Spending	2018-19 Planned Spending	2019-20 Planned Spending
25,967,603	25,967,603	25,967,603	25,967,603

Human Resources (FTEs)

2017-18 Planned FTEs	2018-19 Planned FTEs	2019-20 Planned FTEs
199	199	199

Spending and human resources

Planned spending



	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Sunset Programs – Anticipated	0	3	14	15	0	0
Statutory	8	8	9	8	8	8
Voted	297	291	313	289	282	280
Total	305	302	336	312	290	288

Budgetary Planning Summary for Programs and Internal Services

Programs and Internal Services	2014-15 Expenditures	2015-16 Expenditures	2016-17 Forecast Spending	2017-18 Main Estimates	2017-18 Planned Spending	2018-19 Planned Spending	2019-20 Planned Spending
Enterprise Development	173,992,156	171,964,203	189,199,474	170,058,923	170,058,923	165,171,923	164,291,923
Community Development	90,659,999	91,402,846	105,710,784	104,552,144	104,552,144	87,732,144	87,732,144
Policy, Advocacy and Coordination	12,444,235	11,828,235	13,636,086	10,966,274	10,966,274	10,691,274	10,441,274
Subtotal	**277,096,390**	**275,195,284**	**308,546,344**	**285,577,341**	**285,577,341**	**263,595,341**	**262,465,341**
Internal Services	28,176,701	26,413,684	27,587,040	25,967,603	25,967,603	25,967,603	25,967,603
Total	**305,273,091**	**301,608,968**	**336,133,384**	**311,544,944**	**311,544,944**	**289,562,944**	**288,432,944**

In the 2017-18 Main Estimates, the Agency's available funding is $311.5 million. This represents a decrease of $24.6 million from 2016-17 forecast spending of $336.1 million. This variance is explained by:

- a $24.2 million decrease in parliamentary authorities received after the tabling of the 2016-17 Main Estimates, for which similar authorities are expected to be received in 2017-18
    - $22.3 million decrease related to the collection of repayable contributions. An adjustment is required yearly to account for collections in excess of the base amount included in the reference levels; and
    - a $1.9 million decrease resulting from the operating budget carry forward.
- A $0.1 million increase in temporary initiatives
    - a $2.4 million increase in funding to support the Spruce Budworm Outbreak Intervention Initiatives – ACOA component; and
    - a $2.3 million decrease related to a reduction in the amount transferred to the Department of National Defence in support of a specific project.
- a $0.5 million decrease for the conclusion of operational funding for the administration of the Building Canada Fund.

In 2018-19 planned spending is $289.6 million, a $21.9 million decrease from the $311.5 million in 2017-18 Main Estimates, due to:

- a $16.6 million decrease for the conclusion of Canada 150 Infrastructure Program;
- a $4.9 million decrease in funding to support the Spruce Budworm Outbreak Intervention Initiatives – ACOA Component; and
- a $0.4 million decrease related to a reduction in the amount transferred from the Department of National Defence.

In 2019-20, planned spending is $288.4 million, a $1.2 million decrease from the $289.6 million in 2018-19 planned spending, due to:

- a $1.0 million decrease in support for specific projects in innovation, commercialization and community development in New Brunswick;
- a $0.3 million decrease related to a reduction in the amount transferred from the Department of National Defence; and
- a $0.1 million increase related to other minor adjustments.

Planned human resources

Human Resource Planning Summary for Programs and Internal Services (FTEs)

Programs and Internal Services	2014-15 FTEs	2015-16 FTEs	2016-17 Forecast FTEs	2017-18 Planned FTEs	2018-19 Planned FTEs	2019-20 Planned FTEs
Enterprise Development	218	208	222	222	222	222
Community Development	95	102	103	101	101	101
Policy, Advocacy and Coordination	60	64	69	68	68	68
Subtotal	**373**	**374**	**394**	**391**	**391**	**391**
Internal Services	197	199	199	199	199	199
Total	**570**	**573**	**593**	**590**	**590**	**590**

Other than the increase in FTEs from 2015-16 to 2016-17 due to the dissolution of the Enterprise Cape Breton Corporation, there are no significant changes in FTEs over the upcoming fiscal years.

Estimates by vote

For information on ACOA's organizational appropriations, consult the 2017-18 Main Estimates.

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of ACOA's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of this report are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on the Agency's website.

Future-Oriented Condensed Statement of Operations
For the Year Ended March 31, 2018 (dollars)

Financial Information	2016-17 Forecast Results	2017-18 Planned Results	Difference (2017-18 Planned Results minus 2016-17 Forecast Results)
Total expenses	258,979,793	259,132,291	152,498
Total revenues	13,265	18,392	5,127
Net cost of operations before government funding and transfers	**258,966,528**	**259,113,899**	**147,371**

Planned total expenses for fiscal year 2017-18 are $259.1 million, a slight increase of $152,498 compared to the 2016-17 forecast results.

Of the planned expenses, $111.1 million, (42.9%) will be spent in the Enterprise Development program, $106.3 million (41%) in Community Development, and $12.2 million (4.7%) in Policy, Advocacy and Coordination. Internal Services will represent $29.5 million (11.4%).

The planned expenses do not include unconditionally repayable contributions transfer payments, which are estimated to be $62.1 million. These are classified as assets.

Total revenues represent the gain on disposal of tangible capital assets.

Supplementary Information

Corporate information

Organizational profile

Minister of Innovation, Science and Economic Development:
The Honourable Navdeep Bains, P.C., M.P.

Institutional head:
Mr. Daryell Nowlan, Acting President

Ministerial portfolio:
Innovation, Science and Economic Development

Enabling instrument:
Part I of the Government Organization Act, Atlantic Canada 1987, R.S.C., 1985, c. 41 (4th Supp.), also known as the Atlantic Canada Opportunities Agency Act. See the Department of Justice Canada website for more information.

Year of incorporation:
1987

Reporting framework

ACOA's Strategic Outcome and Program Alignment Architecture of record for 2017-18 are shown below:

1. Strategic Outcome: A competitive Atlantic Canadian economy

- **1.1 Program:** Enterprise Development
  - **1.1.1 Sub-program:** Innovation and Commercialization
  - **1.1.2 Sub-program:** Productivity and Growth
  - **1.1.3 Sub-program:** International Business Development
- **1.2 Program:** Community Development
  - **1.2.1 Sub-program:** Community Investment
  - **1.2.2 Sub-program:** Community-based Business Development
- **1.3 Program:** Policy, Advocacy and Coordination
  - **1.3.1 Sub-program:** Policy
  - **1.3.2 Sub-program:** Advocacy
  - **1.3.3 Sub-program:** Coordination

Internal Services

Supporting information on lower-level programs

Information on Agency's lower-level programs is available on the Agency's website and in the Treasury Board of Canada Secretariat's InfoBase.

Supplementary information

The following supplementary information can be found on the Agency's website:

- Details on Transfer Payment Programs of $5 Million or More
- Disclosure of Transfer Payment Programs Under $5 Million
- Upcoming Evaluations Over the Next Five Fiscal Years
- Upcoming Internal Audits for 2017-18

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the Report on Federal Tax Expenditures. This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in the report are the responsibility of the Minister of Finance.

Organizational contact information

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Access to Information/Privacy: 506-851-2271
http://www.acoa-apeca.gc.ca/Eng/Pages/Home.aspx

Appendix A: Definitions

appropriation (crédit)
Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (dépenses budgétaires)
Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Core Responsibility (responsabilité essentielle)
An enduring function or role performed by a department. The intentions of the department with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department seeks to contribute to or influence.

Departmental Plan (Plan ministériel)
Provides information on the plans and expected performance of appropriated departments over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result (résultat ministériel)
A Departmental Result represents the change or changes that the department seeks to influence. A Departmental Result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

Departmental Result Indicator (indicateur de résultat ministériel)
A factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

Departmental Results Framework (cadre ministériel des résultats)
Consists of the department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

Departmental Results Report (Rapport sur les résultats ministériels)
Provides information on the actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

full-time equivalent (équivalent temps plein)
A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

government-wide priorities (priorités pangouvernementales)
For the purpose of the 2017-18 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government's agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada's Strength; and Security and Opportunity.

horizontal initiative (initiative horizontale)
A horizontal initiative is one in which two or more federal organizations, through an approved funding agreement, work toward achieving clearly defined shared outcomes, and which has been designated (e.g. by Cabinet, a central agency, etc.) as a horizontal initiative for managing and reporting purposes.

Management, Resources and Results Structure (Structure de la gestion, des ressources et des résultats)
A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (dépenses non budgétaires)
Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (rendement)
What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

Performance indicator (indicateur de rendement)
A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

Performance reporting (production de rapports sur le rendement)
The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (dépenses prévues)
For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

plan (plan)
The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priority (priorité)
Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (programme)
A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (architecture d'alignement des programmes)
A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

result (résultat)
An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (dépenses législatives)
Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (résultat stratégique)
A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (programme temporise)
A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (cible)
A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (dépenses votées)
Expenditures that Parliament approves annually through an Appropriation Act. The vote wording becomes the governing conditions under which these expenditures may be made.